

Honolulu, Hawaii

March 6

, 2015

RE: H.B. No. 1292

H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1292, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROCUREMENT,"

begs leave to report as follows:

The purpose of this measure is to increase transparency and accountability in state contracts by establishing a task force to examine the issue of past performance and establish the factors that should be considered when evaluating a construction industry contractor's past performance for the purposes of awarding a construction contract under Chapter 103D, Hawaii Revised Statutes.

The State Procurement Office, Subcontractors Association of Hawaii, Hawaii Operating Engineers Industry Stabilization Fund, and the General Contractors Association of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Broadening the scope of the task force by requiring the task force to examine the issue of past performance and establish the factors that should be considered when evaluating past performance to:
 - (A) All contracts awarded under Hawaii's Procurement Code rather than only construction contracts; and



- (B) All contracts made by state and county agencies to provide health services or human services to Hawaii's residents;
- (2) Changing the membership of the task force to include the directors of finance, health, human services, and public safety, or their designees;
 - (3) Removing the representative from the Building Industry Association of Hawaii from the task force;
 - (4) Revising the issues to be addressed by the task force when establishing the factors to be considered in evaluating a contractor's past performance;
 - (5) Changing its effective date to July 1, 2030, to encourage further discussion; and
 - (6) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1292, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1292, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair

HSCR 790

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|---|--|---------------------------------|-----------|-----------------|---------|
| Bill/Resolution No.: HB 1292, HD1 | | Committee Referral: EDB, FIN | | Date: 3/4/15 | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure. | | | | | |
| The recommendation is to: | | | | | |
| <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) | | | | | |
| FIN Members | | Ayes | Ayes (WR) | Nays | Excused |
| 1. LUKE, Sylvia (C) | | / | | | |
| 2. NISHIMOTO, Scott Y. (VC) | | / | | | |
| 3. CACHOLA, Romy M. | | / | | | |
| 4. CULLEN, Ty J.K. | | / | | | |
| 5. DECOITE, Lynn | | / | | | |
| 6. JOHANSON, Aaron Ling | | / | | | |
| 7. JORDAN, Jo | | / | | | |
| 8. KEOHOKALOLE, Jarrett | | / | | | |
| 9. KOBAYASHI, Bertrand | | / | | | |
| 10. LOWEN, Nicole E. | | / | | | |
| 11. ONISHI, Richard H.K. | | / | | | |
| 12. TOKIOKA, James Kunane | | / | | | |
| 13. YAMASHITA, Kyle T. | | / | | | |
| 14. POUHA, Feki | | / | | | |
| 15. WARD, Gene | | / | | | |
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| TOTAL (15) | | 15 | | | |
| The recommendation is: | | | | | |
| <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | | |
| If joint referral, _____ did not support recommendation. committee acronym(s) | | | | | |
| Vice Chair's or designee's signature: _____ | | | | | |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | | |